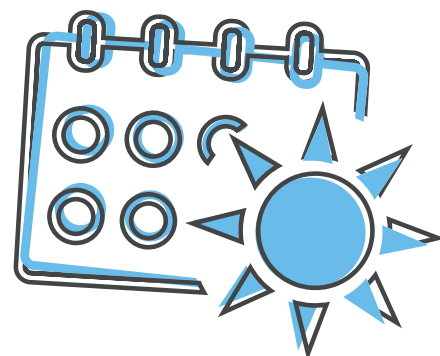


WAPA and MARKETS

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Welcome to the summer 2021 issue of *WAPA and markets*. Since the last newsletter, two ongoing market efforts achieved significant milestones. Desert Southwest announced its intent to join one of the energy imbalance markets in the West, and the Southwest Power Pool has set the stage to expand the regional transmission organization into the West. We appreciate you working with us as we dive into these initiatives.



DSW SELECTS CAISO TO PROVIDE ENERGY IMBALANCE MANAGEMENT

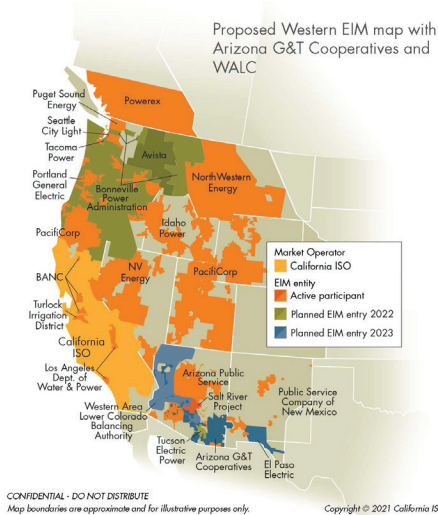
After nearly two years of analysis and discussion with customers, DSW has decided to join the California Independent System Operator Western Energy Imbalance Market. On Sept. 16, DSW signed an implementation agreement with CAISO, formalizing the decision and establishing April 2023 as the anticipated transition period.

The [recommendation memo](#) detailing the reasons behind DSW's decision is available on the [DSW energy imbalance market activities webpage](#).

The implementation agreement applies to DSW's Western Area Lower Colorado Balancing Authority and the region's projects, including the generation resources in Boulder Canyon and Parker-Davis projects and the transmission systems of Central Arizona Project, PDP and the Pacific-Northwest-Pacific Southwest Intertie Project. Also joining this effort are the Arizona Electric Power Cooperative sub-BA, Central Arizona Water Conservation District, the Southwest Public Power Agency and other DSW customers.

Joining the EIM will support WALC's ability to meet regulatory requirements for reliable operations, enhance real-time trading opportunities, provide efficient and affordable operations and address BA limitations and constraints due to the loss of bilateral trading partners.

Thank you to all the customers who participated in this evaluation for your time and input.



More information on DSW's effort is available on the [DSW energy imbalance market activities webpage](#). This webpage will also be used to share implementation progress and activities.



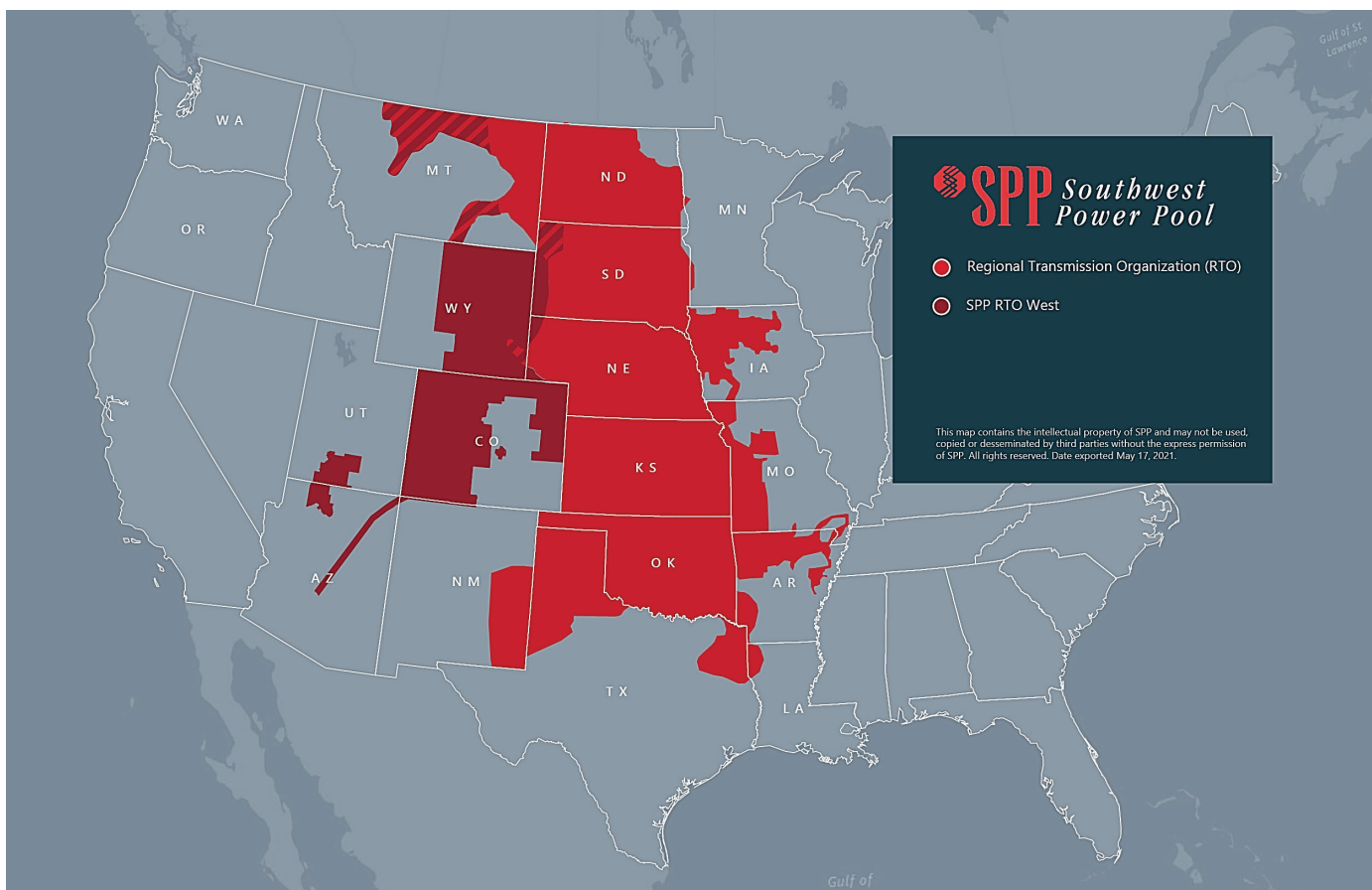
SPP APPROVES SUBMITTED TERMS AND CONDITIONS FOR RTO WEST, NEGOTIATIONS CONTINUE

On July 27, the SPP Board of Directors and Strategic Policy Committee approved the submitted policy-level terms and conditions for RTO expansion in the Western Interconnection. This major milestone represented a key decision point for the initiative and keeps the current schedule on track.

WAPA's evaluation of RTO-West participation includes its Upper Great Plains-West region, Colorado River Storage Project and Rocky Mountain region. Other entities involved in the initiative are Basin Electric, Colorado Springs Utilities, Deseret Power Electric Cooperative, Municipal Energy Agency of Nebraska, Tri-State Generation and Transmission and Wyoming Municipal Power Agency.

The prospective RTO-West participants continue to discuss outstanding items with SPP, including cost allocation for the direct-current ties and provisions for federal participation. If the RTO-West initiative continues to progress as planned, WAPA anticipates publishing a *Federal Register* notice at the end of 2021 or beginning of 2022 to initiate a public process. This process will include presentations for customers and a formal comment period. The target for market implementation is March 2024.

Stay apprised on the latest news regarding this effort at the **SPP RTO membership effort webpage** located on **The Source**.



**Western Area
Power Administration**

Thank you for reading the *WAPA and Markets* newsletter. For more information, call your regional representative or visit the **WAPA and markets** **webpage** on **The Source**.

